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ILLINOIS BUSINESS REVIEW

A MONTHLY SUMMARY OF BUSINESS CONDITIONS FOR ILLINOIS

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HIGHLIGHTS OF BUSINESS IN APRIL

After rising for eight consecutive months, industrial production seemed to be leveling off in April. The Federal Reserve index of industrial production for the month remained about even with the previous month's figure of 242 percent of the 1935-39 average. Automobile output in April exceeded 600,000 cars, with indications that the May figure may rise an additional 7 percent.

Department store sales continued brisk. Though no higher than a year ago on a seasonally unadjusted basis, allowance for the occurrence of Easter one week earlier this year indicates a sales increase of about 4 percent on a year-to-year comparison.

Farm Prices Decline

The index of prices received by farmers turned down again in April, dropping 2 percent in the month ended April 15. The drop was caused by lower prices received for milk, cattle, onions, and potatoes, which were offset only in part by higher prices of hogs, lambs, eggs, and rice. Prices paid by farmers were also down, but not as much as prices received. As a result, the parity ratio declined one point to 93, the lowest level since June, 1941.

Wholesale prices registered little change during April, as price declines in the early part of the month, following the Communist peace overtures, were counterbalanced by recovery toward the month's end. Consumers' prices rose slightly during the month ended March 15.

Construction Boom Rolls Along

The construction boom showed no sign of slackening in April. Outlays for new construction rose seasonally by 8 percent from the previous month and exceeded the level of last April by 5 percent. Construction activity so far this year has maintained a fairly constant margin over last year's outlays; the margin of increase for the first four months of this year relative to those of 1952 was 6 percent.

As in March, private construction continued to lead building activity. Dollar outlays in this sector were up 5 percent from March and 7 percent from April of last year, with home-building and farm and utility construction registering the largest gains. Public construction was only slightly above the level of April, 1952, though up sharply from March as expenditures on atomic energy facilities increased and improved weather conditions permitted resumption of road building activities.

Interest Rates at 20-Year Peak

The cost of money is going up. Government action to limit credit expansion by following a tight-money policy through Federal Reserve control of member bank funds has raised interest rates to a twenty-year high. The yield on government bonds has been raised to 3¼ percent, and purchasers of 91-day Treasury bills floated in the week ended April 25 were receiving 2.32 percent, the highest rate since the depth of the depression.

Commercial borrowers have also had to pay more for their money. Banks in New York, Chicago, and Philadelphia, hard pressed for funds to meet loan requests, raised the charge on loans to their best customers to 3¼ percent. The rate has not been this high since 1934 and, as many corporation executives may recall with nostalgia, stood at 1½ percent as recently as November, 1947. Security flotation expenses are also up, a recent utility issue costing the borrower 3.8 percent as against slightly over 2 percent for a comparable issue several months ago.

The main factors accounting for the continuing high demand for money are the recent inventory expansion, continued high capital expenditures, and first quarter income tax liabilities and working capital needs.

Inventories at Record High

Business inventories in March were at an all-time high at $76.6 billion. This represents an increase of $1.4 billion above the March, 1952, level and on a seasonally adjusted basis is $200 million more than in the preceding month. The rise was more than accounted for by increased stocks of durable goods, primarily at the retail level, as nondurable goods inventories declined during the month.

The present high level of inventories is not excessive in relation to sales, according to government economists. The ratio of inventories to sales last November, just before the Christmas shopping rush, was 1.6. In March, however, inventories were sufficient to cover only 1.5 months' sales.

Because of budget limitations and increased printing costs, the Bureau is mailing the *Illinois Business Review* without envelopes on an experimental basis. No other changes are planned for the *Review* at this time, since our recent readership survey revealed substantial support for each feature.

NEW DIMENSIONS OF TELEVISION · · By Vernon Fryburger · · Page 8

ILLINOIS BUSINESS REVIEW

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The material appearing in the *Illinois Business Review* is derived from various primary sources and compiled by the Bureau of Economic and Business Research. Its chief purpose is to provide businessmen of the State and other interested persons with current information on business conditions. The *Review* will be sent free on request.

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The Peace Offensive

As the negotiations in Korea draw to a close, reactions appear to be mixed. Since we made no significant concessions, Dulles' view that we have the offensive and that the Russians are really carrying on a "peace defensive" is seemingly confirmed; but the disturbing thought that victory was granted rather than gained persists in the background. Similarly, although the economic situation is little changed, fears of a setback are aggravated; and speeches intended to reassure the public carry the disturbing implication that they would not have been made if the outlook were really secure.

Implications of the New Russian Policy

Part of the confusion arises from failure to recognize that Russia's policy is not primarily designed to influence us, but rather to sway the rest of the world. The internal advantages alone may be important. No doubt they face serious problems of factional dissension and public dissatisfaction over conditions of oppression and shortage. Such moves as the amnesty for prisoners and the lowering prices represent attempts to reduce economic strain and pacify opposition elements. The display of peaceful intent bolsters support from the mass of the people whose desire for peace runs as deep as that in other lands.

More important, however, are the advantages sought elsewhere. By holding out the prospect to other countries that there is another way, a peaceful way, Russia hopes at least partially to reverse the trend in a world that is being too effectively organized against it. The NATO program has already been slowed. Ratification of the European Defense Community faces strong opposition in Germany and France. If military operations in Indo-China are halted — as they seem to have been after a convincing display of strength — the French will be made more independent by a lowering of need for United States aid. Removing the threat of war may strengthen anti-United States elements in the Italian election. The timing of the policy shift is well calculated with respect to all these critical events.

On the economic side, it may provide a way out of the trade boycott we have so laboriously established. Resentment against the blockade is already high in the West. The need for markets is felt in countries like Britain, Germany, and Japan; and the less industrialized countries that are such important suppliers of strategic and other raw materials are dissatisfied with the instability of existing markets for their products, as a recent United Nations report fully indicates.

In short, there are various ways in which the new policy might split the West and hamper its defense preparations. An additional hope is that the changed circumstances would bring on a business decline in the United States and hasten the process of "disintegration." A substantial recession in this country would adversely affect our relations with the rest of the Free World to an extent that is hardly calculable.

All these advantages mount up to a potential so great that the new Russian policy will probably be pursued whether or not we receive it in a spirit of conciliation. Unwillingness on our part to make concessions may in fact increase its success. That is why fighting may be brought to a halt even without pressure or concessions from us.

Nothing to Get Excited About

Does this mean that the situation will be drastically changed? Not necessarily, because our course will not be substantially modified and other countries are not so lacking in vision as to take the bait and swallow it, as the saying goes, hook, line, and sinker.

The position of our allies, those consistent advocates of moderation, has been tremendously strengthened by the fact that the launching of an early war has been made difficult, if not impossible. They, too, are capable of the longer view. Their hopes for a gradual adjustment still rest on maintaining a balance of power in which their own weight represents a significant, even if a relatively limited, element. That they are willing to make concessions cannot be doubted. That they are willing to break ranks and make concessions beyond those deserved is highly improbable.

In speaking of concessions deserved, the thought is that they, like ourselves, base judgments on deeds, not words. The change that has taken place represents a sharp shift in the war of words; but the structure of defense on which they must rely still conforms to the pattern of an armaments race, somewhat more restrained, but basically unchanged.

Recent announcements from Washington indicate that the armaments program is not being significantly reduced — notwithstanding headlines to the effect that the Truman program has been scrapped. There have been two program reviews, one by NATO and one by the new Administration. The first was in the mill before the peace offensive got under way. It aimed, in the words of Churchill, at making it a program for the long pull, not the short jerk; but it appears that Churchill was expressing a desire, not so much to change the structure of Western defense, as to reduce the burden on Britain and others in less fortunate circumstances.

The second review, under the direction of Defense Secretary Wilson, has apparently worked toward economy in fulfilling the present program rather than in changing its over-all magnitude. Some economies are no doubt being effected, but they are not of such an order of magnitude as to be termed substantial.

The bulk of the procurement of the newer, technically advanced products still lies ahead. Minor cuts in new appropriations cannot greatly restrict production of military hard goods in a situation where the carryover of funds previously authorized is about three times the annual rate of current deliveries. There is not likely to be any significant letdown in military spending for a full year at least.

(Continued on page 6)

WATER—AN UNUSED RESOURCE

Although water is one of the primary requisites for human survival and although water supply, on the basis of bulk, is the world's largest enterprise, it is one of our most inefficiently exploited resources. Only about 5 percent of the atmospheric moisture which passes over Illinois reaches the earth as precipitation. Less than half of this precipitation is usefully consumed, about one-third by crops and one-tenth for industrial and municipal purposes. About one-fourth of the total precipitation is carried out of the State in streams and rivers and the remainder evaporates back into the atmosphere.

Engineers estimate that it is theoretically possible to use nearly all of this stream flow, although it may not be economically feasible under present conditions. With the application of proper re-use techniques, the water resources of Illinois could support ten times its present industry.

Types of Water Resources

The two important types of water resources in Illinois are surface water, which is found above ground, and groundwater, which is found underground. The southernmost third of the State is mainly dependent on surface water sources for its supply. The northern third of the State gets its water supply for the most part from wells drilled deep in the bedrock. The Chicago area draws heavily on Lake Michigan water for its municipal supply but depends partly on groundwater for industrial water supplies. The east-central part of the State gets large volumes of water from wells drilled in the glacial drift whereas west-central Illinois uses both rock wells and drift wells to a considerable extent.

The Illinois State Water Survey estimates that about 8 billion gallons of surface water and 250 million gallons of groundwater are used each day by Illinois industry. Of this, two billion are used in manufacturing, almost six billion in steam power plants and about 200 million in mineral processing.

Agriculture is also a user of water resources. There are about 200 irrigation systems in use representing an investment of $500,000. These systems have a capacity of 100,000 gallons per minute and irrigate 9,000 acres. About 80 percent of the water used is surface water and the remaining 20 percent is groundwater.

Surface Water Problems

The greatest problem in regard to surface water is not one of inadequate supply, but rather one of soil conservation. Illinois rivers and water reservoirs are becoming depositories of alarming quantities of topsoil. Most of the sediment reaching Illinois streams comes from comparatively level or gently sloping farmlands which are used for production of intertilled crops, in alternate rows, such as corn and soybeans. Land used for these crops is kept bare by continual tillage and erodes easily. Consequently, Illinois surface water is made less suitable for industrial use because of the high proportion of sediment suspended in the water, much of the rich topsoil is being lost from our farms, and our reservoirs are becoming filled with sediment. It is estimated that total erosion in the Illinois valley amounts to almost 3 billion cubic feet per year, of which 175 million cubic feet reaches the Illinois river.

Groundwater

Although for the most part our groundwater resources have been relatively unaffected by human activity, shortages are appearing at places where there are heavy concentrations of population. Problems have developed in Chicago, Joliet, Rock Island, Peoria, East St. Louis, and Champaign-Urbana. Water levels have receded more rapidly in the Joliet area than anywhere else in Illinois. It is estimated that in Chicago, where industry depends heavily on groundwater sources, water levels in deep wells are now as much as 500 feet lower than they once were. Although these heavily pumped areas represent less than 5 percent of the area of Illinois, they account for more than half of the State's population and receding water levels in these areas could seriously affect the industrial development of the entire State.

A second cause of falling groundwater levels has been the cultivation of land which was once covered with prairie grasses. As a result of cultivation, infiltration rates have been somewhat reduced. It is felt that this influence has been relatively minor in comparison with the effects of large population concentration.

Water Situation Being Studied

Although data concerning groundwater resources, which supply 10 percent of our consumption, are fairly adequate, our knowledge of surface water resources is far from satisfactory. Rain-gauging techniques and equipment, basic to research in this field, do not provide the accuracy desired by engineers and meteorologists. Experiments are being made by the State Water Survey, however, with radar as a means of measuring rainfall. So far, indications are that this new technique has real possibilities for measuring precipitation over large areas.

Another interesting development is the use of surface water sources to recharge groundwater formations. Surface water is piped into a large pit from which it filters into the groundwater formations. Groundwater recharge has been used with some success at the Water Survey's pilot station at Peoria. The recharging of groundwater formations is superior to abandoning groundwater sources because at certain times of the year the river water is warm and turbid and unsatisfactory for industrial and municipal use. The groundwater formations are recharged only when temperature and turbidity are satisfactory and the water can be used with a minimum of processing.

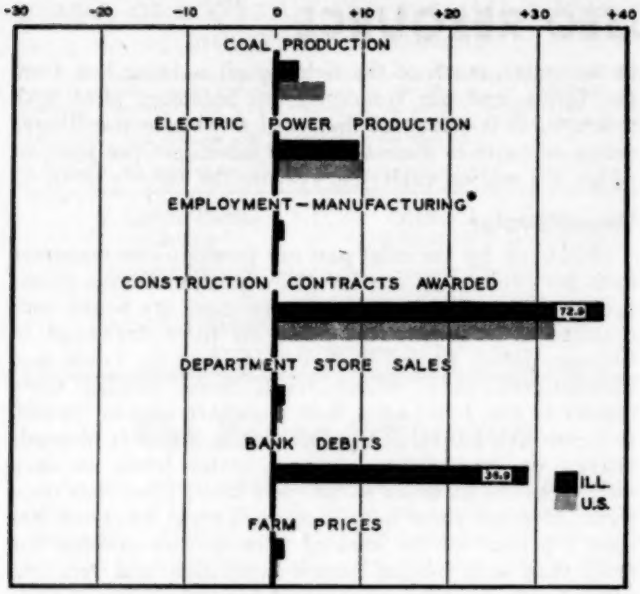
While water resource problems are almost sure to become more serious as the State's industry and population grow, our knowledge of water resources is growing daily. Experts tell us that with sufficient attention, all of the State's water problems can be solved.

KNOW YOUR STATE

STATISTICAL SUMMARY OF BUSINESS ACTIVITY

SELECTED INDICATORS

Percentage changes February, 1953, to March, 1953



* January, 1953, to February, 1953.

ILLINOIS BUSINESS INDEXES

Item	March 1953 (1947-49 =100)	Percentage Change from Feb. 1953	Percentage Change from March 1952
Electric power[1]	161.3	+ 9.5	+19.1
Coal production[2]	79.6	+ 2.4	- 4.2
Employment—manufacturing[3]	112.1	+ 0.9[a]	+ 6.6[b]
Payrolls—manufacturing	n.a.	....	....
Dept. store sales in Chicago[4]	105.0[c]	+ 1.0	+ 7.1
Consumer prices in Chicago[5]	113.8	- 0.1	+ 0.5
Construction contracts awarded[6]	195.3	+72.9	+42.6
Bank debits[7]	163.4	+36.9	+16.0
Farm prices[8]	102.8	+ 1.1	- 9.3
Life insurance sales (ordinary)[9]	165.4	+24.7	+28.4
Petroleum production[10]	93.8	+ 9.8	+ 2.6

[1] Fed. Power Comm.; [2] Ill. Dept. of Mines; [3] Ill. Dept. of Labor; [4] Fed. Res. Bank, 7th Dist.; [5] U. S. Bur. of Labor Statistics; [6] F. W. Dodge Corp.; [7] Fed. Res. Bd.; [8] Ill. Crop Rpts.; [9] Life Ins. Agcy. Manag. Assn.; [10] Ill. Geol. Survey.
[a] January, 1953, to February, 1953. [b] February, 1952, to February, 1953. [c] Seasonally adjusted. n.a. Not available.

UNITED STATES MONTHLY INDEXES

Item	March 1953	Percentage Change from Feb. 1953	Percentage Change from March 1952
	Annual rate in billion $		
Personal income[1]	282.5[a]	+ 0.6	+ 7.9
Manufacturing[1]			
Sales	305.1[a]	+ 0.3	+14.9
Inventories	43.8[a,b]	- 0.2	+ 1.4
New construction activity[1]			
Private residential	10.3	+12.5	+ 7.1
Private nonresidential	10.5	+ 7.3	+ 7.2
Total public	8.7	+12.1	+ 1.4
Foreign trade[1]			
Merchandise exports	16.5	+15.2	- 4.8
Merchandise imports	12.0	+17.3	+ 4.1
Excess of exports	4.5	+10.0	-22.7
Consumer credit outstanding[3]			
Total credit	25.6[b]	+ 1.7	+24.6
Installment credit	19.3[b]	+ 2.2	+32.6
Business loans[3]	23.3[b]	+ 2.8	+ 9.2
Cash farm income[2]	24.0	+ 6.8	- 3.8
	Indexes (1947-49 = 100)		
Industrial production[3]			
Combined index	131[a]	+ 0.8	+ 9.5
Durable manufactures	151[a]	+ 1.6	+14.7
Nondurable manufactures	116[a]	+ 1.0	+ 6.4
Minerals	110[a]	- 1.8	- 2.4
Manufacturing employment[4]			
Production workers	112[a]	+ 0.5	+ 6.6
Factory worker earnings[4]			
Average hours worked	n.a.	.....	.....
Average hourly earnings	n.a.	.....	.....
Average weekly earnings	n.a.	.....	.....
Construction contracts awarded[5]	176	+31.9	+ 2.0
Department store sales[2]	113[a]	+ 1.8	+ 7.6
Consumers' price index[4]	114	+ 0.2	+ 1.1
Wholesale prices[4]			
All commodities	110	+ 0.5	- 2.0
Farm products	100	+ 2.1	- 7.6
Foods	105	- 0.2	- 3.8
Other	113	+ 0.3	- 0.4
Farm prices[2]			
Received by farmers	98	+ 0.4	- 8.3
Paid by farmers	107	+ 0.8	- 3.3
Parity ratio	94[c]	0.0	- 6.0

[1] U. S. Dept. of Commerce; [2] Federal Reserve Board; [3] U. S. Dept. of Agriculture; [4] U. S. Bureau of Labor Statistics; [5] F. W. Dodge Corp.
[a] Seasonally adjusted. [b] As of end of month. [c] Based on official indexes, 1910-14 = 100.

UNITED STATES WEEKLY BUSINESS STATISTICS

Item	1953					1952
	April 25	April 18	April 11	April 4	March 28	April 26
Production:						
Bituminous coal (daily avg.) ..... thous. of short tons	1,508	1,446	1,410	1,334	1,376	1,625
Electric power by utilities ..... mil. of kw-hr.	8,016	8,113	8,001	8,019	8,075	7,135
Motor vehicles (Wards) ..... number in thous.	182.6	150.6	164.9	160.7	170.9	124.8
Petroleum (daily avg.) ..... thous. bbl.	6,184	6,185	6,171	6,243	6,384	6,277
Steel ..... 1947-49 = 100	141.7	138.7	138.8	136.3	144.7	129.9
Freight carloadings ..... thous. of cars	780	752	721	705	715	779
Department store sales ..... 1947-49 = 100	104	105	97	118	112	105
Commodity prices, wholesale:						
All commodities ..... 1947-49 = 100	109.7	109.5	109.6	109.8	110.0	111.8
Other than farm products and foods .. 1947-49 = 100	113.2	113.3	113.2	113.3	113.4	113.3
22 commodities ..... 1947-49 = 100	87.8	87.8	88.2	89.5	90.3	97.4
Finance:						
Business loans ..... mil. of dol.	23,156	23,287	23,297	23,269	23,337	20,872
Failures, industrial and commercial ... number	159	165	140	171	188	168

Source: *Survey of Current Business, Weekly Supplements.*

RECENT ECONOMIC CHANGES

Personal Income Rises

Personal income advanced $1.5 billion in March to an annual rate of $282.5 billion. Private industry wage and salary disbursements accounted for most of the increase, rising $1.3 billion to $160 billion. Manufacturing payrolls — at an annual rate of $69 billion — contributed almost $1 billion of this gain, as both durable and nondurable goods factory payrolls increased during the month. Farm income, in contrast to the declines of recent months, was unchanged from the February level of slightly under $20.0 billion, reflecting stability of farm prices during the month.

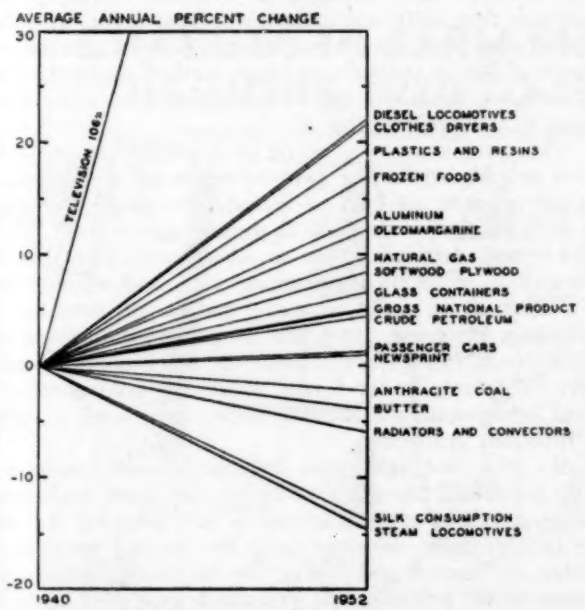
For the first quarter of 1953, personal income (at an annual rate) amounted to $281 billion, up 7 percent from the first quarter of 1952.

Growth Trends in the Economy

From 1940 to 1952 the output of goods and services in the United States rose at an average rate of 5 percent a year, according to a recent study by the Department of Commerce. Industrial and scientific research have developed new products and improved old, and demand for most types of goods and services has continued to strengthen with expansion of population and purchasing power. Nevertheless, many industries have grown at a substantially faster rate than gross national product, whereas the rate of growth of other industries has tended to level off, and still others have shown declining trends.

The average annual rates of change in the production of a number of selected industries during this twelve-year period are shown in the accompanying chart. The fastest growing industries are generally those that have been in production only in relatively recent years, and are still in an initial period of rapid growth. This is true of plastics, clothes dryers, frozen foods, and especially of television. Their production was practically zero in 1940 and has therefore registered a phenomenal average annual rate of growth during this period. Among the fast growing group, however, are some of the more established industries which continued to expand during the 1940's. Examples are glass containers, telephone service, motor truck transportation, and aluminum. Examples of industries whose output has declined during the period are anthracite coal, steam locomotives, and silk.

GROWTH TRENDS OF SELECTED INDUSTRIES, 1940-1952



Source: U. S. Department of Commerce.

Corporate Working Capital Advances

Corporate net working capital continued to increase during 1952, and at the end of the year amounted to $86.5 billion, $4.0 billion higher than at the end of 1951. Current assets of corporations moved up $9.0 billion to $183.4 billion; current liabilities advanced by $5.0 billion to $97.0 billion.

The rise in assets during 1952 was almost entirely confined to a $7.6 billion increase in accounts receivable. This was in contrast with 1951, when a $10.0 billion advance in inventories dominated the change in current assets. On the liabilities side, a $6.0 billion increase in accounts payable accounted for most of the rise. Federal income tax liabilities declined $2.9 billion, reflecting the decline in profits and the lower incidence of the excess profits tax.

During 1952, manufacturing accounted for about three-fourths of the increase in corporate net working capital with trade firms accounting for most of the remainder. Mining and public utilities were the only groups in which declines occurred.

Liquid Saving at Postwar High

Liquid saving by individuals totaled $14.6 billion in 1952, the highest for any year since the war, and $2.8 billion above 1951, the previous postwar peak. During the past two years savings have been going more into liquid forms than in 1947-50, whereas the proportion invested in new homes and other durable goods has declined.

Liquid saving in 1952 was characterized by a sharp rise in insurance, time and savings deposits in banks, and shares in savings and loan associations. Individuals increased their equity in insurance, the largest component of liquid saving, by $9.5 billion, compared with a rise of $8.1 billion in 1951. Holdings of cash and bank deposits increased by $6.7 billion, with about two-thirds of the rise concentrated in time and savings deposits. Individuals also invested a record $3.1 billion in shares of savings and loan associations. In addition, corporate securities purchased by individuals, which includes corporate pension funds, amounted to $3.9 billion, more than in any year since 1929.

Foreign Aid in 1952

In 1952 United States aid to foreign nations totaled $5.6 billion, 10 percent more than in 1951. During the course of the year, marked changes occurred in the composition of foreign aid, as military aid moved up from less than a third of the 1951 total to almost half the total in 1952. Economic aid fell 22 percent from $3.6 billion in 1951 to $2.8 billion last year. Although grants continued to account for the dominant share of gross foreign aid in 1952, more aid was extended on a credit basis than in the previous year.

Western Europe continued as the major beneficiary of United States aid and received $4.2 billion, 76 percent of total foreign aid, compared with $3.7 billion a

year earlier. Despite this advance only three European countries — France, the United Kingdom, and Turkey — received more aid last year than in 1951. Aid to France totaled $496 million, $20 million more than in 1951; Great Britain received $492 million last year compared with $236 million in 1951; and aid to Turkey advanced $5 million to $68 million. Defense shipments to Europe as a whole totaled $2.3 billion, double the 1951 figure, and much more than offset a $600 million decline in economic aid.

Federal Construction Rises in 1952

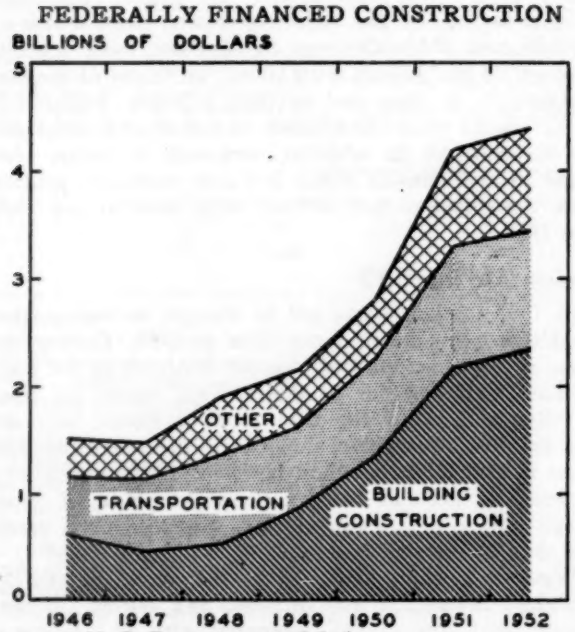
The value of contracts awarded for new construction financed wholly or in part with Federal funds rose 5 percent in 1952 to $4.4 billion. This figure is almost 60 percent of the wartime high reached in 1942. As shown by the accompanying chart, there has been a steady rise in Federal contract awards throughout the postwar years, with the largest advances occurring in 1950 and 1951 following the outbreak of hostilities in Korea. In 1952 contract awards leveled off somewhat as some nondefense work was curtailed and a number of defense programs neared completion.

Contract awards for construction of plant and buildings totaled $2.4 billion in 1952, and continued to account for over half of all Federally financed contracts let. Mainly because of further expansion by the Atomic Energy Commission, contract awards for Federally owned industrial plant moved up 37 percent to $1.2 billion. Other large increases occurred in contracts for warehouses (mainly military), which more than tripled in contract value last year; troop housing, up a fourth; and educational buildings, up 41 percent to a record $85 million.

Awards for Federally aided transportation facilities (highways and airfields) declined 2 percent in 1952 to $1.1 billion, as reduced airfield construction more than offset a 17 percent advance in highway building.

Contract awards for other construction were up 8 percent to almost $1.0 billion, chiefly on the strength of an 84 percent rise in electrification. This advance resulted mainly from contracts let in December at the Tennessee Valley Authority for projects planned to meet increased power requirements for atomic energy facilities, aluminum plants, and other defense-related industry in the area.

FEDERALLY FINANCED CONSTRUCTION



Source: U. S. Department of Labor.

Dividend Payments Rise in First Quarter

Cash dividend payments by corporations issuing public reports amounted to $2.0 billion in the first quarter of 1953, 5 percent above the first quarter a year ago. Manufacturing, which accounted for more than half of the total, reported a small advance, 1.5 percent, whereas nonmanufacturing disbursements expanded by 9 percent.

In the manufacturing sector, all industries except textiles either maintained first quarter 1952 disbursements or reported moderate increases. Dividend payments by the textile and leather group declined 11 percent.

In the nonmanufacturing sector, disbursements were some $75 million above the first quarter a year ago. All nonmanufacturing industries except mining increased dividends in the first quarter of 1953 as compared with the same period of 1952. Payments by trade firms increased only slightly, but disbursements by the finance group, railroads, utilities, and communication companies advanced by 10 to 15 percent, partly because of share expansion.

Federal Tax Receipts Reach Record

Higher tax rates and continued prosperity made Federal tax receipts in 1952 the largest in history. According to a recent report by the Bureau of Internal Revenue, tax receipts last year amounted to $68.5 billion, up $12.5 billion from 1951. Personal income and employment taxes advanced 20 percent to $36 billion, and accounted for almost half of the increase. Corporate and excess profits taxes rose from $16.5 billion in 1951 to $22 billion last year. Excise taxes such as those on tobacco, alcohol, telephone service, and theater tickets were up $1 billion to $22 billion.

The Peace Offensive

(Continued from page 2)

In recognition of the sensitive international situation, the Administration has sent to Congress a foreign aid program that fully maintains the recent level. The Administration has also taken a strong stand against the Simpson Bill, a measure to place further restrictions on imports, on the basis that nothing could be more damaging to our position abroad.

There remains the question of a possible business decline originating in the private sector of the economy. At the moment, all lines of activity are strong, and most of them promise to continue so throughout the year. There may be some letdown, if for no other reason than that the automobile industry is producing cars, and selling them to consumers on credit, at a rate that cannot continue indefinitely. However, fears that magnify the slightest decline into a disaster are unfounded; the economy doesn't have to operate under forced draft and keep unemployment below a reasonable full employment level in order to maintain prosperity.

By this time next year, business may be running a little lower and the peace offensive may have made some minor successes at our expense. It is a prospect that can be faced calmly, with no need for the self-tortures of undue excitement and worry. In its broad outlines the situation will probably still look much as it does now.

VLB

BUSINESS BRIEFS

PUBLICATIONS AND DEVELOPMENTS OF BUSINESS INTEREST

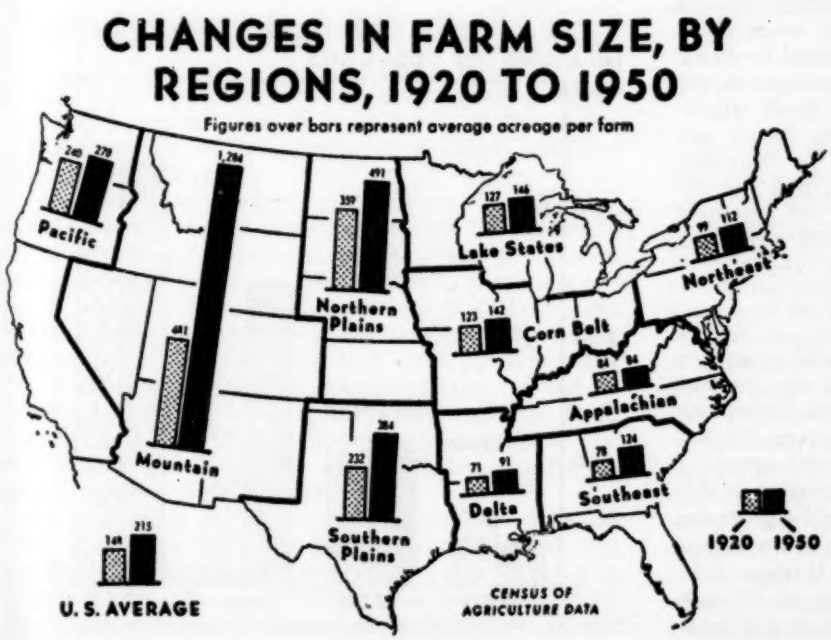
Mothproof Woolens

A solution for mothproofing washable woolens has been developed by Bonded Chemicals of Lima, Ohio. By adding two teaspoons of the insecticide per pound of dry wool to the soapy wash water or the rinse water containing blankets, sweaters, or other woolens, the material is not only cleaned but also protected, if stored, against the feeding of the larvae of both moths and carpet beetles for more than a year. "Bonded EQ-53," the new mothproofing product, can be used in any type washing machine or in a wash basin or tub. It is safe to use if the normal precautions necessary in handling any insecticide are observed. "Bonded EQ-53" is available in half-pints, pints, quarts, and gallons through department, drug, grocery, hardware, and dime stores, or directly from Bonded Chemicals.

Farm Size Increases

Although the average acreage per farm in the nation increased from 148 acres in 1920 to 215 acres in 1950 (45 percent), farm size varied widely in different sections of the country, according to the Department of Agriculture. In 1950 the average farm in the Mountain States consisted of 1,284 acres whereas the Appalachian region reported only 84 acres. The chart below shows that average acreage per farm has increased in every section of the country between 1920 and 1950 with the exception of the Appalachian States where acreage has remained unchanged. During the thirty-year period, farm size increased most in the Mountain States (up 170 percent) and in the South (up 66 percent in the Southern Plain States and 59 percent in the Southeastern States).

The size of American farms is increasing in most states because of mergers; consequently the number of farms dropped from 6.4 million in 1920 to 5.4 million in 1950, or 17 percent. All of the decline has occurred among farms having from 10 to 179 acres. With the mechanization of agriculture, most farms are accomplishing the same amount of work with less labor and in a shorter period of time. Concomitantly, the decentralization of industry and industrial expansion have provided profitable off-the-farm work. As a result, farmers are either selling all or most of their lands and accepting other employment (keeping only a few acres for themselves), or they are buying or renting more land to utilize their investment in tractors and other machinery. As a result, farms under 10 acres have increased 68 percent during the thirty-year period and farms consisting of 500 or more acres have increased 40 percent.



Improved Enamel

An improved enamel that withstands scuffing, grease, boiling liquids, hard soaps, and repeated scrubbing has been marketed by Sapolin Paints, Inc., 229 East 42nd Street, New York, N.Y. The new product, which does not contain lead pigments or toxic ingredients, will dry to a hard gloss finish in four hours with no streaks, according to the manufacturer. Although it is especially recommended for children's furniture and toys, it can also be applied to any surface on which regular enamels are used — unpainted furniture, kitchen cabinets, chairs, and tables. It is particularly effective on outdoor furniture, for its colors are nonfading and weather resistant. The quick-drying enamel comes in 18 decorator colors and sells for $2.26 a quart.

Successful Organization

"Building and Maintaining a Successful Organization," an article by Bruce Payne appearing in the April, 1953, issue of *The Controller,* discusses the organization of existing companies to meet the changing problems of today's business. The author contends that a thorough survey of the firm's objectives and its personnel is basic to the building and maintaining of a successful organization. As a result of such a survey, the responsibilities of each executive as well as of every department will be clearly defined, and overworked executives will be relieved of many duties by delegating nonmanagerial jobs to lesser men. The article relates numerous examples from business experience and gives additional suggestions, some of which are a training course for executives designed to acquaint them with the extent of their own responsibilities as well as the duties of fellow executives; an efficient communication system among management personnel which stimulates frequent exchange of ideas; and an incentive program for executives based on performance standards. The author states that the continuance of a successful company depends upon the hiring and training of capable junior executives and on periodic, complete organizational surveys.

Causes of Death

The death rate among policyholders of United States life insurance com-

(Continued on page 9)

NEW DIMENSIONS OF TELEVISION

VERNON FRYBURGER
Assistant Professor of Journalism and Communications

Television is entering a new era, an era which will see the new medium spreading out to the grass roots of America, riding a wave of mounting revenue, and adjusting to lower cost methods of operation. A brief look at what is happening today shows that this new phase of the industry's development is well under way.

Growth of the Industry

In 194 cities new TV stations are now being constructed or are in their first few months of operation. Within the next two years another 250 stations will start broadcasting, as evidenced by applications now on file with the Federal Communications Commission. It appears then that between 1952 and 1955 the coverage of television broadcasting will expand from 108 stations in 63 markets including 47 percent of the nation's households to approximately 550 stations in 300 markets including 65 percent of the households. Allowing for the range of television signals, which generally reach out beyond standard market boundaries, it is conceivable that by 1955 television service will be available to 85 percent of the people in the United States.

The current boom in new station construction was touched off in July, 1952, when the FCC lifted the three-and-a-half-year "freeze" and resumed granting construction permits. To provide a truly nation-wide competitive TV service the Commission added 70 UHF channels (between 470 and 890 megacycles) to the 12 VHF channels (between 54 and 216 megacycles) then in use, and adopted an allocation plan making more than 2,000 channel assignments to nearly 3,000 communities throughout the United States and its territories. Thus, the technical framework exists which will permit a TV station in nearly every community having a population of 5,000 or more.

In Illinois the Commission has assigned channels for 57 commercial stations in 36 cities. Nine channels are assigned to Chicago; four each to Rock Island-Moline and Champaign-Urbana; three to Peoria; two each to Rockford, Decatur, Springfield, Centralia, and Quincy; and one each to 27 other cities. In addition to these, seven channels are assigned for noncommercial educational facilities.

Prior to this year there were only five stations on the air in Illinois, four in Chicago and one in Rock Island-Moline. New stations are now operating in Peoria and Rockford. Before the year ends, stations in Belleville, Bloomington, Champaign-Urbana, Decatur, and Springfield will probably start broadcasting. This will provide a total of 14 or 15 stations in nine cities, which represents only about one-fourth of the allocation for Illinois.

Revenues Based on Public Demand

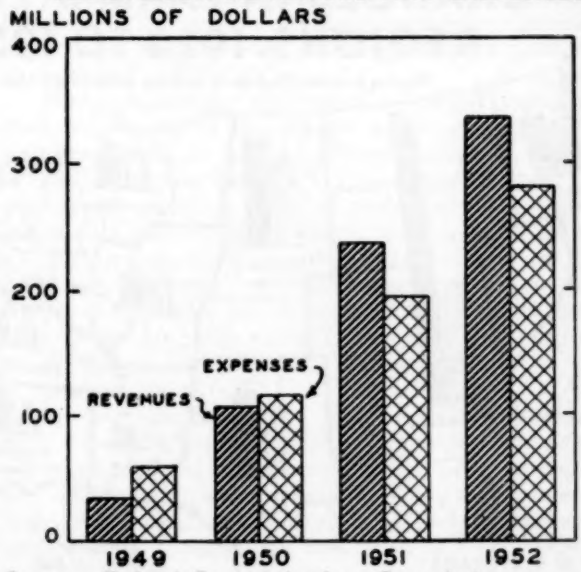
How many of the small markets will be able to support a station remains to be seen. Few, if any, can support the high-cost operations we see today, because advertising cannot foot the bill in small markets. However, cultivation of the top 200 markets is moving full speed ahead.

The reason for the rush to get into television is this simple fact: Television has become a highly profitable business. A license to operate a TV station is no longer, as many in the industry expressed it only three or four years ago, "a license to lose money." Many of the new stations now going on the air break even or show a profit almost from the start, in contrast to the hardy pioneers who learned the red-ink way. In 1949, for instance, 98 TV stations and networks lost more than $25,000,000. The FCC in a preliminary report estimates TV broadcasting showed a net income in 1952 of $54,500,000 before Federal income taxes, an increase of 31 percent over 1951. This growth in earnings was registered by 108 stations and four networks which were in operation both years. Including 14 stations which reported losses, average per station income in 1952 was $564,000 on revenues of $1,802,000. In other words, the average station's net income before Federal taxes was more than 30 percent of sales.

The industry's revenues from sale of time, talent, and program material to advertisers in 1952 spurted to $336.3 million in a 43 percent increase over 1951's receipts of $235.7 million (see chart).

This growth in revenues is related to the demand for television by the American people. By the end of 1947, the first year that receivers were produced in quantity, the public owned 200,000 sets. As of January 1, 1953, some seven years after the birth of commercial television, there were 21,140,000 sets in use. As Frank Stanton, president of CBS, recently stated, "in terms of its acceptance by the American people as an essential part of the equipment of modern life, television has outstripped any other technological development in our history. It took the refrigerator 31 years to achieve this number of units in use; it took the automobile 30 years, and it took radio 13 years before it reached the figure of 21,000,000 sets in use. In some of our major cities there are more homes with television sets than with telephones — and in Chicago, there are more homes with television sets than with bathtubs. And what makes this amazing record of set ownership doubly impressive is that it was achieved during a period when television signals were potentially accessible to only 50 percent of the population — when the industry had one hand tied behind its back."

TELEVISION REVENUES AND EXPENSES



Source: Federal Communications Commission.

Estimating New Station Prospects

How much revenue from the sale of time to advertisers can the new or prospective television station expect? Obviously, revenues are directly related to the number of receiving sets reached by the station's signal. By estimating the number of sets which will be reached and multiplying this figure by the average revenue per set experienced by existing TV stations, the new or prospective station can roughly estimate its future revenue.

Set ownership expressed as a percentage of total households in established television markets has grown as follows: first year, 18 percent; second year, 37 percent; third year, 42 percent; fourth year, 53 percent; and fifth year, 62 percent.

This experience should be adjusted to allow for the fact that during this five-year period the entire industry, including set manufacturing and program production, was in its infancy. Better sets at lower prices and improved popular programs should hasten set sales in new television markets as follows: first year, 25 percent; second year, 50 percent; third year, 75 percent; and fourth year, 80 percent.

As reported by the FCC, the average station operating the full year during 1951 experienced revenues of $6.28 per set. A classification of markets by the number of stations in each market shows how competition reduces revenue per set per station.

Number of stations in market	*Number of markets*	*Median revenue per set per station*
1	40	$9.82
2	11	7.00
3	8	4.38
4	2	3.00
7	2	1.75

The monopoly position enjoyed by stations in many major market areas will soon cease to exist. We can expect their revenue per set to decline as competition grows, as is indicated by the figures given above.

Applying these experience records, the new UHF station being constructed in Decatur, Illinois, might estimate its revenues as follows: Within a 45-mile radius, the normal coverage for such a station, there are about 165,000 households. By 1955 there will be television sets in approximately 50 percent of these homes — 82,500 sets. Assuming revenue per set at $4.00, and allowing for some competition from stations located in Springfield and Champaign, the new Decatur station could expect to gross $330,000 in its second year. Similar projections for 1957 would forecast revenues at $528,000. If the number of households in the area increased, revenues would be correspondingly larger.

Most new stations will have to scale operating expenses much lower than their predecessors did. The average station in 1952 spent $1,238,000. Even in markets where population was less than 250,000, operating expenses averaged $429,000. However, at this early stage of the industry's development one would hardly expect these figures to represent standard costs. Evidence that they have failed to impress would-be telecasters can be found in applications for new stations filed with the FCC. Some applicants have estimated first-year expenses as low as $90,000. Most applicants appear to be planning to spend between $150,000 and $250,000.

With existing technology and currently accepted standards of programming it seems reasonable, therefore, to assume a break-even point for many new stations at $200,000. To operate in the black by the third year would require a service area including about 50,000 sets, 65,000 households, or a population of about 220,000.

How Operating Results May Be Improved

Obviously, these projections are rough, but they serve to indicate the need for lower cost methods of operation before advertising will be able to support television stations in many of the smaller communities to which channels are now assigned. Anticipating this need, new techniques and equipment for reducing costs are rapidly being developed. Paralleling the expansion of telecasting facilities is the rapid growth in production of filmed TV shows. By printing relatively few film copies of a show and shuttling them from station to station the cost of good quality entertainment will be spread over many markets. Even the cost of recording and duplicating a show stands a good chance of being cut by a magnetic recording device which records picture and sound on tape, thus eliminating the photographic process of reproduction. Other electronic innovations which permit substitution of robot control for manual operation, thereby reducing technical manpower requirements, are rapidly being developed. Regional networks tied together by micro-wave relay will also be a boon to small-market stations.

Along with methods of reducing costs a possibility for increasing revenues should be taken into account. Instead of depending entirely upon advertising, some stations might supplement their revenue with payments received from viewers. In pay-as-you-view or box-office television the idea is to broadcast a scrambled picture and require the viewer to pay for unscrambling it by dropping the price of the show in a coin box hooked on to his set, or by calling the telephone operator and asking to be connected with the show (the price being added to his telephone bill), or by inserting in his set a code card purchased ahead of time. If revenue from the home viewing audience approximated box-office receipts of one of the town's movie theaters a station would be well on its way to financial success. However, such a system would require the arrival at an equitable price and this would involve the FCC, thus bringing the Commission into the responsibility for the economics of television, which so far has been avoided.

For an industry which is growing so rapidly it must be concluded that its future dimensions will be influenced more by innovations yet to come than by extending experience of the past.

Business Briefs

(Continued from page 7)

panies was 6.4 per 1,000 lives in 1952, only slightly higher than the all-time low level of 6.3 established in 1949 and 1950. Heart diseases were responsible for over half of the deaths in 1952, according to the Institute of Life Insurance. Cancer, which accounted for about one-sixth of all policyholder deaths, and which ranked second as a cause of death, rose to a record high in 1952. Accidents, suicides, homicides, war deaths, and other external causes accounted for less than one-tenth of all policyholder deaths. Death rates for tuberculosis, diabetes, pneumonia, and influenza all showed declines in 1952.

An analysis of the causes of death among policyholders during the past fifty years reveals a decreasing number of deaths from infectious diseases but an increasing number from the degenerative diseases. Since life expectancy has been lengthened, more people are living to succumb to degenerative conditions. Although most medical research in the past has been devoted to the infectious diseases, more effort is now being directed toward the diseases of middle and old age.

LOCAL ILLINOIS DEVELOPMENTS

Although seasonal movements were responsible for much of the increase in business activity from February to March, most indicators also registered gains over March, 1952. Electric power production, bank debits, construction contracts awarded, and life insurance sales rose at least 10 percent above March of last year as well as above the February level. Farm prices received were 9 percent lower than the same month a year ago.

Coal Production Gains Slightly

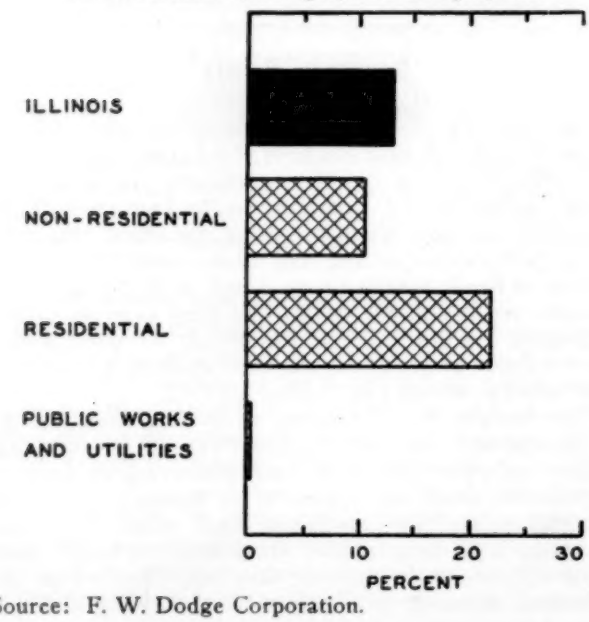
Illinois coal production in March, totaling 3.8 million tons, was 2.4 percent more than February output but 4 percent less than the same month a year ago. Two-thirds of the coal produced during March was mined in six of the 29 counties registering output. The leaders, ranked in order of production, were Christian, Fulton, Perry, Franklin, Williamson, and St. Clair counties.

As a source of employment, coal fields rank second only to agriculture in the southern portion of the State. During recent months, however, many of the mines have closed because a mild winter cut fuel needs and the use of oil and gas has increased. As a result, community leaders are intensifying efforts to bring in new industries, using the ample labor supply as an inducement.

Farm Income Down

Earnings of Illinois farmers dropped 22 to 43 percent from 1951 to 1952 according to the University's Farm Bureau Farm Management Service. Income on 250 sample farms revealed that returns per acre for feeder cattle-hog farms in northwestern Illinois declined 43 percent, from $40 to $23, and that central Illinois grain farmers earned only $27 per acre in 1952 as compared with $42 in 1951. Similar decreases in per acre earnings were recorded for hog farms in the north central portion of the State (off 31 percent), for dairy farms near St. Louis (down 27 percent), and for dairy farms in the Chicago area (down 22 percent).

CONSTRUCTION CONTRACTS AWARDED
Percent increase, 1st Qtr., 1952-1st Qtr., 1953



Source: F. W. Dodge Corporation.

Earnings are defined as returns on invested capital, including real estate, livestock, equipment, and management. Also included in earnings are tenant and landlord shares on rented farms; operator and family labor payments; and inventory change, which accounted for much of the drop in earnings.

Returns on the sample farms per $100 worth of feed dropped between 1951 and 1952 from $170 to $89 for beef cow herds, from $142 to $90 for feeder cattle, from $137 to $115 for poultry, from $132 to $117 for hogs, and from $179 to $166 for dairy herds.

Consumer Price Index

Retail prices of goods and services bought by families of urban wage and clerical workers in Chicago moved downward for the fourth consecutive month in March. At 113.8 (1947-49 = 100), the index was fractionally below the preceding month but remained slightly above that of March, 1952.

Retail food prices in March were up slightly from the February level but were down almost 3 percent from the same month a year ago. Housing costs were 3 percent higher than in March, 1952. The indexes for apparel and miscellaneous goods and services increased both from the preceding month and from the same month a year ago, whereas those for transportation, medical care, and personal care declined from the February level but remained higher than in March, 1952.

Record Steel Production

Steel production in the Chicago area rose to record heights during March. The sixteen companies in the district produced 2.2 million net tons of steel, 17 percent more than in February and 5 percent more than the previous record, established in January. Only the 35 mills in the Pittsburgh-Youngstown District produced more steel during March than Chicago area companies.

During the first quarter of 1953, Chicago steel mills operated at 100.2 percent of capacity and produced 6.2 million net tons. Only 5.7 million net tons were produced during the same period of 1952.

Construction Up

Illinois seems to be benefiting at least as much as the rest of the nation from the construction boom. The value of construction contracts awarded in the State during March, 1953, rose to $103.7 million, 43 percent more than the same month a year ago and 73 percent higher than February.

The gain over March, 1952, was most evident in public works and utilities, which increased 150 percent, but residential and nonresidential construction awards were also up, about 20 percent. The improvement over the preceding month was largely the result of an upward seasonal trend in awards for residential construction and for public works and utilities.

During the first three months of the year, cumulative awards in Illinois totaled $211.6 million, or 13 percent more than the same period last year. The chart shows that the principal factor in this gain is a rise of almost 22 percent in residential construction awards. This is far above the national average, where homebuilding has been running only a few percent ahead of last year. Public works and utilities were also up over last year, but by a much smaller margin.

COMPARATIVE ECONOMIC DATA FOR SELECTED ILLINOIS CITIES

March, 1953

		Building Permits[1] (000)	Electric Power Consumption[2] (000 kwh)	Estimated Retail Sales[3] (000)	Department Store Sales[4]	Bank Debits[4] (000,000)	Postal Receipts[5] (000)
ILLINOIS		**$21,765**[a]	**990,988**[a]	**$509,075**[a]		**$14,286**[a]	**$13,407**[a]
Percentage Change from	Feb., 1953	*+19.2*	*+1.3*	*−4.1*	*+23*	n.a.	*+16.0*
	Mar., 1952	*−3.8*	*+6.1*	*+5.3*	*+6*	*+13.4*	*+8.0*
NORTHERN ILLINOIS							
Chicago		**$14,716**	**781,408**	**$375,259**		**$13,166**	**$11,631**
Percentage Change from	Feb., 1953	*+4.1*	*+1.9*	*−4.0*	*+22*	n.a.	*+15.8*
	Mar., 1952	*−8.1*	*+6.5*	*+4.1*	*+6*	*+13.7*	*+8.0*
Aurora		**$ 474**	n.a.	**$ 6,954**		**$ 49**	**$ 99**
Percentage Change from	Feb., 1953	*+127.9*		*−12.1*	*+34*	n.a.	*+6.7*
	Mar., 1952	*+41.5*		*+5.8*	*+8*	*+11.8*	*+18.4*
Elgin		**$ 391**	n.a.	**$ 4,926**		**$ 28**	**$ 97**
Percentage Change from	Feb., 1953	*+87.1*		*−8.9*	*+22*	n.a.	*+10.9*
	Mar., 1952	*+59.6*		*−0.3*	*+12*	*−1.6*	*+6.1*
Joliet		**$ 385**	n.a.	**$10,659**		**$ 62**	**$ 75**
Percentage Change from	Feb., 1953	*+161.9*		*−7.7*	*+36*	n.a.	*+4.0*
	Mar., 1952	*+53.4*		*+17.6*	*+22*	*+19.3*	*−20.0*
Kankakee		**$ 109**	n.a.	**$ 5,139**		n.a.	**$ 32**
Percentage Change from	Feb., 1953	*−47.3*		*+3.0*	n.a.		*+8.1*
	Mar., 1952	*−12.8*		*+23.2*			*+5.7*
Rock Island-Moline		**$ 446**	**19,595**	**$ 9,861**		**$ 83**[b]	**$ 149**
Percentage Change from	Feb., 1953	*−62.2*	*−7.8*	*+2.2*	n.a.	n.a.	*+3.3*
	Mar., 1952	*−28.2*	*+4.9*	*+12.6*		*+6.2*	*−1.4*
Rockford		**$ 688**	**32,598**	**$15,723**		**$ 150**	**$ 218**
Percentage Change from	Feb., 1953	*+64.2*	*−5.0*	*−16.3*	*+39*	n.a.	*+17.7*
	Mar., 1952	*−74.9*	*+16.6*	*+10.2*	*+19*	*+14.6*	*+14.0*
CENTRAL ILLINOIS							
Bloomington		**$ 136**	**6,547**	**$ 5,026**		**$ 60**	**$ 141**
Percentage Change from	Feb., 1953	*−11.1*	*−1.1*	*+1.2*	n.a.	n.a.	*+37.6*
	Mar., 1952	*−0.7*	*+9.6*	*+10.7*		*+20.9*	*+24.0*
Champaign-Urbana		**$ 99**	**8,359**	**$ 7,109**		**$ 52**	**$ 93**
Percentage Change from	Feb., 1953	*−9.2*	*−5.7*	*+4.1*	n.a.	n.a.	*+21.9*
	Mar., 1952	*−49.0*	*+3.2*	*+12.7*		*+3.3*	*+12.0*
Danville		**$ 80**	**8,173**	**$ 5,244**		**$ 41**	**$ 55**
Percentage Change from	Feb., 1953	*−33.9*	*−2.1*	*−12.6*	*+38*	n.a.	*+25.0*
	Mar., 1952	*−62.6*	*+6.2*	*+1.4*	*+3*	*+4.1*	*+7.1*
Decatur		**$ 372**	**21,668**	**$ 8,784**		**$ 93**	**$ 108**
Percentage Change from	Feb., 1953	*+175.6*	*−1.3*	*−2.6*	*+36*	n.a.	*+11.2*
	Mar., 1952	*+82.4*	*+6.8*	*+7.9*	*+2*	*+3.7*	*+1.5*
Galesburg		**$ 121**	**6,363**	**$ 3,744**		n.a.	**$ 33**
Percentage Change from	Feb., 1953	*+108.6*	*−3.0*	*−4.1*	n.a.		*+9.5*
	Mar., 1952	*+16.3*	*+7.3*	*+8.9*			*+10.4*
Peoria		**$2,289**	**44,999**[c]	**$16,298**		**$ 198**	**$ 223**
Percentage Change from	Feb., 1953	*+512.0*	*+2.8*	*−1.0*	*+32*	n.a.	*+19.1*
	Mar., 1952	*+461.0*	*−4.3*	*+4.6*	*+12*	*+5.8*	*+8.8*
Quincy		**$ 69**	**6,838**	**$ 4,412**		**$ 35**	**$ 70**
Percentage Change from	Feb., 1953	*−30.3*	*−8.2*	*−0.5*	*+27*	n.a.	*+3.0*
	Mar., 1952	*−43.0*	*+0.6*	*+4.5*	*+13*	*+5.0*	*+0.1*
Springfield		**$ 716**	**25,558**[c]	**$12,205**		**$ 98**	**$ 246**
Percentage Change from	Feb., 1953	*+85.0*	*+5.4*	*−2.7*	n.a.	n.a.	*+33.1*
	Mar., 1952	*+105.7*	*+2.8*	*+4.2*		*+12.9*	*+10.4*
SOUTHERN ILLINOIS							
East St. Louis		**$ 413**	**12,364**	**$ 9,235**		**$ 138**	**$ 65**
Percentage Change from	Feb., 1953	*+134.7*	*−4.0*	*+1.8*	n.a.	n.a.	*+24.9*
	Mar., 1952	*+88.6*	*+5.9*	*+11.9*		*+14.4*	*+18.5*
Alton		**$ 169**	**11,281**	**$ 4,598**		**$ 35**	**$ 31**
Percentage Change from	Feb., 1953	*+83.7*	*+4.7*	*+1.2*	n.a.	n.a.	*+23.3*
	Mar., 1952	*−42.1*	*+3.6*	*+8.8*		*+20.5*	*+20.1*
Belleville		**$ 92**	**5,237**	**$ 3,899**		n.a.	**$ 39**
Percentage Change from	Feb., 1953	*+119.0*	*+1.4*	*−0.0*	n.a.		*+13.5*
	Mar., 1952	*+46.0*	*+3.6*	*+8.6*			*+4.7*

[a] Total for cities listed. [b] Includes East Moline. [c] Includes immediately surrounding territory. n.a. Not available.

Sources: [1] U. S. Bureau of Labor Statistics. Data include Federal construction projects. [2] Local power companies. [3] Illinois Department of Revenue. Data are for February, 1953, the most recent available. Comparisons relate to January, 1953, and February, 1952. [4] Research Departments of Federal Reserve Banks in Seventh (Chicago) and Eighth (St. Louis) Districts. Department store sales percentages rounded by original sources. Month-to-month comparisons of bank debits omitted because comparable February data are unavailable. [5] Local post office reports.

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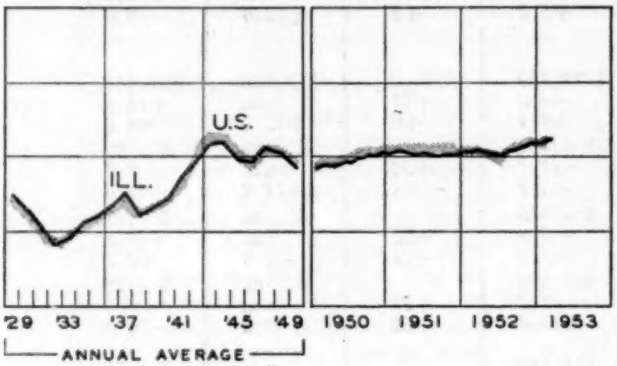
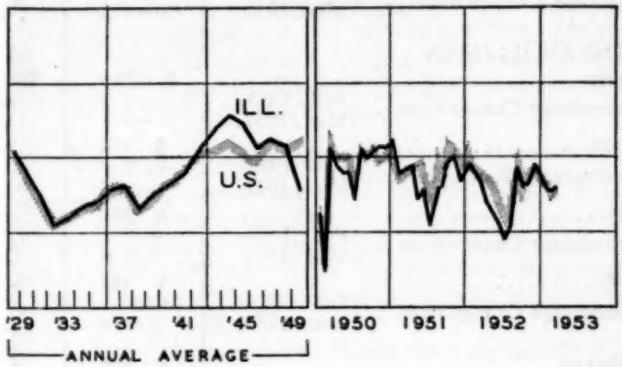
INDEXES OF BUSINESS ACTIVITY

1947-1949=100

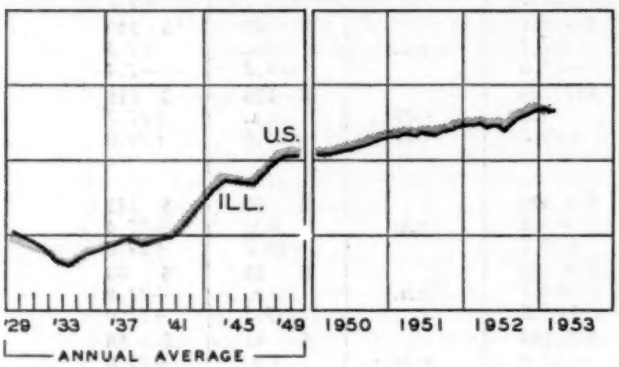
EMPLOYMENT - MANUFACTURING



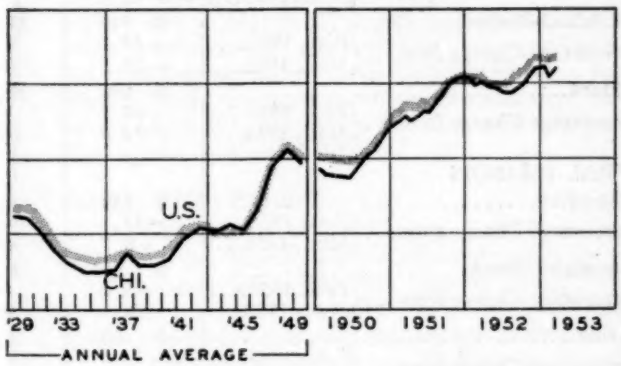
COAL PRODUCTION



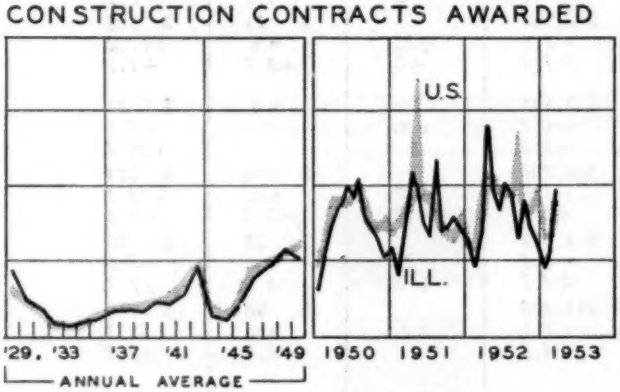
AVG. WKLY. EARNINGS - MANUFACTURING



BUSINESS LOANS



CONSTRUCTION CONTRACTS AWARDED



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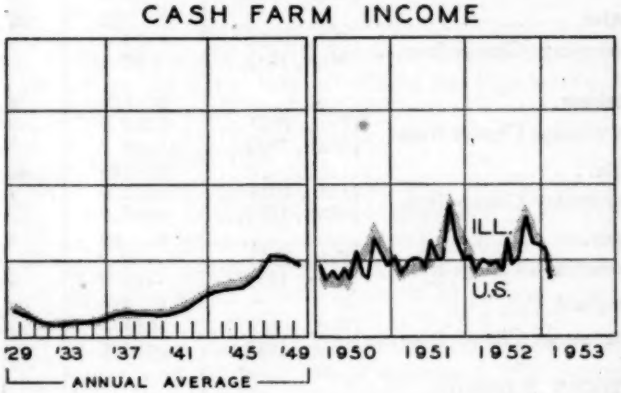
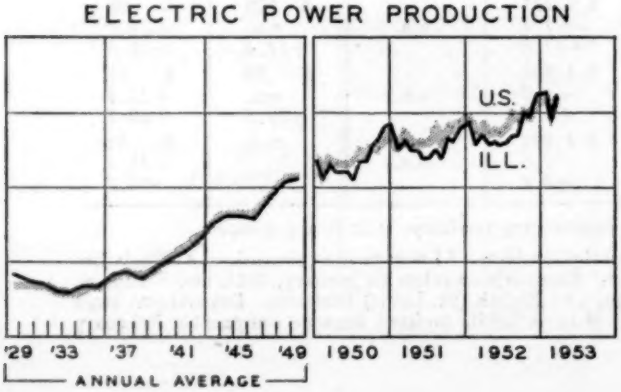
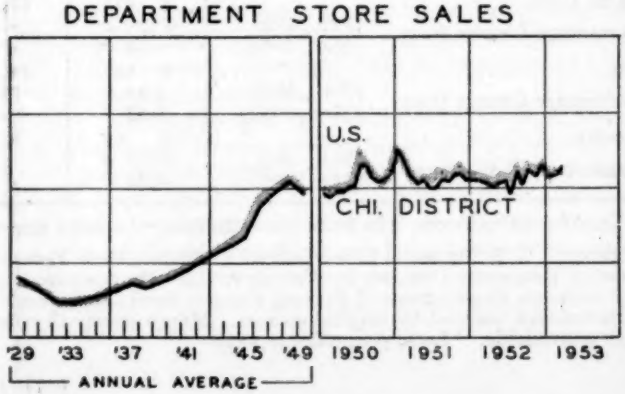


ELECTRIC POWER PRODUCTION



DEPARTMENT STORE SALES